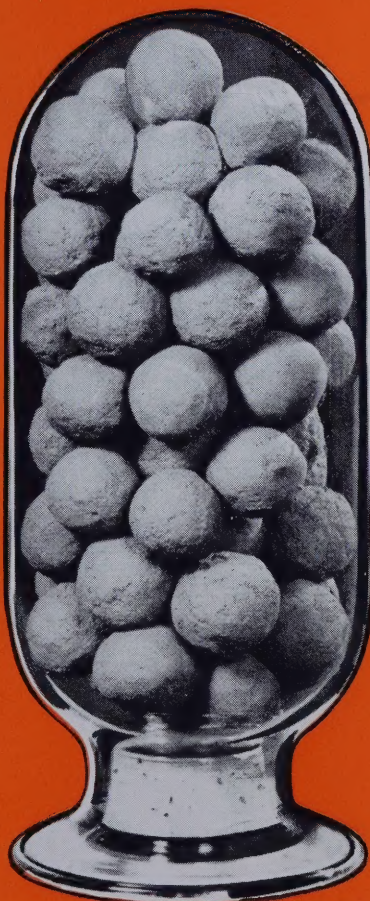


IRON BAY

MINES LIMITED

MAY 15 1963



HEAT HARDENED

IRON PELLETS

64.8% Fe As Fe_2O_3
5.7% Silica

ANNUAL REPORT NINTH

FOR THE YEAR ENDED OCTOBER 31, 1962

IRON BAY MINES LIMITED

DIRECTORS

A. C. MOSHER	-	-	-	-	-	-	-	Toronto, Ont.
F. W. GRAHAM	-	-	-	-	-	-	-	Toronto, Ont.
D. W. FALCONER	-	-	-	-	-	-	-	Toronto, Ont.
W. J. HOSKING	-	-	-	-	-	-	-	McWatters, Que.
S. K. BONGARD	-	-	-	-	-	-	-	Toronto, Ont.

OFFICERS

A. C. MOSHER	-	-	-	-	-	-	-	President
F. W. GRAHAM	-	-	-	-	-	-	-	Vice-President
ALAN S. CARR	-	-	-	-	-	-	-	Secretary

HEAD OFFICE

25 Adelaide Street West, Toronto 1, Ontario.

TRANSFER AGENT AND REGISTRAR

Chartered Trust Company, Toronto, Ontario.

AUDITORS

Riddell, Stead, Graham & Hutchison, Toronto, Ontario.

BANKERS

Canadian Imperial Bank of Commerce, Toronto, Ontario

SOLICITORS

Holden, Murdoch, Walton, Finlay, Robinson & Pepall,
Toronto, Ontario.

IRON BAY MINES LIMITED

Report of Directors

December 4th, 1962.

TO THE SHAREHOLDERS:

Your Directors are pleased to present the Company's Annual Report for the fiscal year ending October 31st, 1962, together with Financial Statements and Auditors' Report thereon.

During the year lengthy negotiations were carried on with a company having a major consuming interest of iron ore. Negotiations were terminated as no agreement was made.

During the past year diamond drilling was carried out on the 18 unpatented mining claims west and adjacent to Iron Bay's main holdings at Bruce Lake. All the necessary work on the said claims has now been completed and same are now ready to be patented.

Samples of magnetic concentrates from the Company's Bruce Lake property were taken to Lakefield Research of Canada Limited for investigation of the flotation of silica from the magnetic concentrates. The results obtained from these tests were very satisfactory and are indicated below:—

Sample No.	Weight %	Assay		% Recovery	
		% Fe	% SiO ₂	Fe	SiO
1	85.5	70.14	1.96	93.4	12.2
2	87.4	71.14	0.92	93.4	12.2

The ability to so improve the grade of concentrate makes your Company's Bruce Lake property more attractive as it makes it possible to obtain from the Bruce Lake Property concentrates to suit every requirement.

Your Officers and Directors are continuing to make every possible effort to conclude an arrangement whereby the Company's property can be brought into production.

On behalf of the Board,

A. C. MOSHER,
President.

IRON BAY M

(Incorporated under The

Balance Sheet as

ASSETS

CURRENT ASSETS

Cash	\$ 2,969.76	
Short term notes of finance companies, at cost plus accrued interest	262,858.55	
Marketable securities, at cost plus accrued interest (market value \$109,900.00)	111,558.00	
Expense advance to director	5,074.40	
Trans-Canada Airlines travel deposit	425.00	
Total current assets		\$ 382,885.71

PROPERTIES AND RELATED EXPENDITURES

47 patented mining claims and 3 mining licenses of occupation covering portions of the above claims and 58 other claims in the Bruce Lake area, District of Kenora, and 18 unpatented contiguous claims, consideration being 1,200,000 shares of capital stock of the company and \$41,351.99 cash	521,351.99	
Exploration and development costs, including \$10,921.33 expended during the year — see schedule	350,259.13	
Roads, buildings and equipment at cost	17,439.21	889,050.33
		<u>\$ 1,271,936.04</u>

AUDITOR

To the Shareholders
IRON BAY MINES LIMITED.

We have examined the balance sheet of Iron Bay Mines Limited as at October 31, 1962. Our examination included a general review of the accounting procedures and such other circumstances.

In our opinion the accompanying balance sheet and statement of operations and results of its operations for the year then ended in accordance with generally accepted accounting principles.

November 12, 1962.

ES LIMITED

(Incorporated under the Corporations Act of Ontario)

October 31, 1962

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued expenses \$ 6,255.66

SHAREHOLDERS' EQUITY

Capital stock — see note

Authorized —

6,000,000 shares, par value \$1.00 each

Issued and fully paid —

2,510,005 shares

	Par Value	Discount	Net
For property	\$ 1,200,000.00	\$ 720,000.00	\$ 480,000.00
For cash	1,310,005.00	507,505.00	802,505.00
	<u>\$ 2,510,005.00</u>	<u>\$ 1,227,500.00</u>	<u>\$ 1,282,505.00</u>

Deficit — see statement 16,824.62 1,265,680.38

NOTE: By agreements dated January 12, 1962 the company granted options on 40,000 shares of capital stock at \$1.00 per share and on 10,000 shares at \$1.50 per share, exercisable on or before December 31, 1963 but only if and when a firm arrangement is negotiated by the company to bring its Bruce Lake property into production.

\$ 1,271,936.04

Approved on behalf of the Board:

A. C. MOSHER, Director.

F. W. GRAHAM, Director.

REPORT

and the accompanying statement of operations and deficit for the year then ended. accounting records and other supporting evidence as we considered necessary in the

present fairly the financial position of the company as at October 31, 1962 and the accounting principles applied on a basis consistent with that of the preceding year.

RIDDELL, STEAD, GRAHAM & HUTCHISON,

Chartered Accountants.

IRON BAY MINES LIMITED

FOR THE YEAR ENDED OCTOBER 31, 1962

Statement of Operations and Deficit

INCOME

Investment income	\$16,086.23	
Profit on sale of investments	1,350.00	\$17,436.23
	<u> </u>	

EXPENSES

Administration and office salaries	\$ 9,482.96	
Management travelling	2,430.15	
Office rent	2,126.21	
Office and general expense	1,582.94	
Legal and audit	3,950.00	
Registrar and transfer fees	700.48	
Telephone and telegraph	484.80	
Postage and stationery	1,796.13	22,553.67
	<u> </u>	

LOSS FOR THE YEAR 5,117.44

DEFICIT, NOVEMBER 1, 1961 11,707.18

DEFICIT, OCTOBER 31, 1962 \$16,824.62

Schedule of Exploration and Development Costs

FOR THE YEAR ENDED OCTOBER 31, 1962

Drilling	\$ 6,476.60
Geologist's fees and expenses	1,169.96
Taxes	1,038.82
Repairs and maintenance	842.96
Travel	582.42
Assays	433.00
Insurance and licenses	193.72
Miscellaneous	183.85
	<u><u>\$10,921.33</u></u>

Red Lake

★ IRON BAY MINES LIMITED

